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MEMORANDUM FOR: See Distribution

FROM:

  
Chief, Legislation Division, OLC

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SUBJECT: Fiscal Year 1982 Intelligence  
Authorization Bill

1. Attached for your information is S. 1127, the Senate version of the Bill as reported from the Senate Select Committee on Intelligence on 6 May 1981, along with its accompanying report. Particular points of interest in the Bill include the following:

- Section 502, amending section 303 of the National Security Act of 1947. Note especially the report language in the first full paragraph on page 7 of the report.
- Section 503, amending the Agency's firearms authority in section 5 of the CIA Act of 1949. Note the report language on page 7 of the report.
- Section 504, legislation relating to the unauthorized use of the CIA name, initials, or seal.
- Section 505, benefits, allowances, and travel authority provisions. Note the report language on pages 8-10 of the report.
- Section 510, amendments to title 18, United States Code, related to the protection of intelligence personnel.

2. The Bill also contains a number of administrative provisions related to the National Security Agency (sections 506, 507, and 508), the Federal Bureau of Investigation (section 509), and the Defense Intelligence Agency (sections 601-606).

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Attachments

See Distribution on following page.

II

97TH CONGRESS  
1ST SESSION

# S. 1127

[Report No. 97-57]

To authorize appropriations for the fiscal year 1982 for intelligence activities of the United States Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and to provide certain personnel management authorities for the Defense Intelligence Agency, and for other purposes.

## IN THE SENATE OF THE UNITED STATES

MAY 6 (legislative day, APRIL 27), 1981

Mr. WALLOP (for Mr. GOLDWATER), from the Select Committee on Intelligence, reported the following original bill; which was read twice and pursuant to the order of May 5, 1981, referred jointly to the Committees on Armed Services, Governmental Affairs, and the Judiciary for the thirty-day time period provided in section 3(b) of S. Res. 400, Ninety-fourth Congress, provided that the Committee on Governmental Affairs be restricted to the consideration of title VI and that the Committee on the Judiciary be restricted to the consideration of sections 509 and 510, and provided further that if any of said committees fails to report within the thirty-day time limit, such committee shall be automatically discharged from further consideration of the bill in accordance with section 3(b) of S. Res. 400, Ninety-fourth Congress

## A BILL

To authorize appropriations for the fiscal year 1982 for intelligence activities of the United States Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and to provide certain

personnel management authorities for the Defense Intelligence Agency, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That titles I through V of this Act may be cited as the "In-  
4       telligence Authorization Act for Fiscal Year 1982".

5       **TITLE I—INTELLIGENCE ACTIVITIES**

6       **AUTHORIZATION OF APPROPRIATIONS**

7       SEC. 101. (a) Funds are authorized to be appropriated  
8       for the fiscal year 1982 for the conduct of intelligence activi-  
9       ties of the following departments, agencies, and other ele-  
10      ments of the United States Government:

11               (1) The Central Intelligence Agency and the Di-  
12      rector of Central Intelligence.

13               (2) The Department of Defense.

14               (3) The Defense Intelligence Agency.

15               (4) The National Security Agency.

16               (5) The Department of the Army, the Department  
17      of the Navy, and the Department of the Air Force.

18               (6) The Department of State.

19               (7) The Department of the Treasury.

20               (8) The Department of Energy.

21               (9) The Federal Bureau of Investigation.

22               (10) The Drug Enforcement Administration.

23       (b) The amounts authorized to be appropriated under  
24      this Act for the conduct of the intelligence activities of the

1 agencies listed in subsection (a) are those listed in the classi-  
2 fied Schedule of Authorizations for the fiscal year 1982 pre-  
3 pared by the Select Committee on Intelligence of the Senate.  
4 Such Schedule of Authorizations shall be made available to  
5 the Committee on Appropriations of the Senate and the  
6 House of Representatives and to the President. The Presi-  
7 dent shall provide for suitable distribution of the Schedule, or  
8 of appropriate portions of the Schedule, within the executive  
9 branch.

10 (c) Authorizations of appropriations provided in this Act,  
11 shall not be deemed to constitute authority for the conduct of  
12 any intelligence activity which is not otherwise authorized by  
13 the Constitution or laws of the United States.

## 14 TITLE II—INTELLIGENCE COMMUNITY STAFF

### 15 AUTHORIZATION OF APPROPRIATIONS; PERSONNEL

16 SEC. 201. (a) There are authorized to be appropriated  
17 for the Intelligence Community Staff for the fiscal year 1982,  
18 \$15,400,000.

19 (b) The Intelligence Community Staff is authorized two  
20 hundred and forty-five full-time personnel as of September  
21 30, 1982. Such personnel may be permanent employees of  
22 the Intelligence Community Staff or personnel detailed from  
23 other elements of the United States Government.

24 (c) Any employee who is detailed to the Intelligence  
25 Community Staff from another element of the United States

1 Government shall be detailed on a reimbursable basis, except  
2 that an employee may be detailed on a nonreimbursable basis  
3 for a period of less than one year for the performance of  
4 temporary duties as required by the Director of Central In-  
5 telligence.

6 (d) Except as provided in subsections (b) and (c), the  
7 activities and personnel of the Intelligence Community Staff  
8 shall be administered by the Director of Central Intelligence  
9 in accordance with the provisions of the National Security  
10 Act of 1947 (50 U.S.C. 401 et seq.) and the Central Intelli-  
11 gence Agency Act of 1949 (50 U.S.C. 403a et seq.).

12 TITLE III—CENTRAL INTELLIGENCE AGENCY  
13 RETIREMENT AND DISABILITY SYSTEM

14 AUTHORIZATION OF APPROPRIATIONS

15 SEC. 301. There are authorized to be appropriated for  
16 the Central Intelligence Agency Retirement and Disability  
17 Fund for the fiscal year 1982, \$84,600,000.

18 TITLE IV—SUPPLEMENTAL AUTHORIZATION  
19 FOR THE FISCAL YEAR 1981

20 SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS

21 SEC. 401. In addition to funds authorized to be appro-  
22 priated for the fiscal year 1981 for the conduct of intelligence  
23 activities of the United States Government, there are author-  
24 ized to be appropriated supplemental funds for such fiscal  
25 year for such purpose. The amounts authorized to be appro-

1 priated under this title are those listed in the classified  
2 Schedule of Supplemental Authorizations for the fiscal year  
3 1981 prepared by the Select Committee on Intelligence of  
4 the Senate.

5 TITLE V—GENERAL PROVISIONS

6 INCREASES IN EMPLOYEE BENEFITS AUTHORIZED BY LAW

7 SEC. 501. Appropriations authorized by this Act for  
8 salary, pay, retirement, and other benefits for Federal em-  
9 ployees, may be increased by such additional or supplemental  
10 amounts as may be necessary for increases in such benefits  
11 authorized by law.

12 ADVISORY COMMITTEES AND PERSONNEL

13 SEC. 502. (a) The last sentence of section 303(a) of the  
14 National Security Act of 1947 (50 U.S.C. 405(a)) is amended  
15 by striking out "at a rate not to exceed \$50 for each day of  
16 service" and inserting in lieu thereof the following: "for each  
17 day of service at a rate not to exceed the daily equivalent of  
18 the rate of pay in effect for grade GS-18 under the General  
19 Schedule established by section 5332 of title 5, United States  
20 Code".

21 (b) Section 303(b) of the National Security Act of 1947  
22 (50 U.S.C. 405(b)) is amended by striking out "281, 283, or  
23 284" and inserting in lieu thereof "203, 205, or 207".

1 FIREARMS AUTHORITY

2 SEC. 503. Section 5(d) of the Central Intelligence  
3 Agency Act of 1949 (50 U.S.C. 403f(d)) is amended to read  
4 as follows:

5 “(d) Authorize personnel designated by the Director to  
6 carry firearms to the extent necessary for the performance of  
7 the Agency’s authorized functions, including but not limited  
8 to the protection of classified materials and information, the  
9 training of Agency personnel in the use of firearms, the main-  
10 tenance of security of Agency installations and property, and  
11 the protection of Agency personnel and of defectors, their  
12 families, and other persons in the United States under  
13 Agency auspices; and”.

14 UNAUTHORIZED USE OF CENTRAL INTELLIGENCE AGENCY  
15 NAME, INITIALS, OR SEAL

16 SEC. 504. The Central Intelligence Agency Act of 1949  
17 (50 U.S.C. 403a et seq.) is amended by adding at the end  
18 thereof the following new section:

19 “MISUSE OF AGENCY NAME, INITIALS, OR SEAL

20 “SEC. 13. (a) No person shall, except with the written  
21 permission of the Director, knowingly use the words ‘Central  
22 Intelligence Agency’, the initials ‘CIA’, the seal of the Cen-  
23 tral Intelligence Agency, or any colorable imitation of such  
24 words, initials, or seal in connection with any merchandise,  
25 impersonation, solicitation, or commercial activity in a

1 manner reasonably calculated to convey the impression that  
2 such use is approved, endorsed, or authorized by the Central  
3 Intelligence Agency.

4       “(b) Whenever it shall appear to the Attorney General  
5 that any person is engaged or about to engage in any acts or  
6 practices which constitute or will constitute conduct prohibit-  
7 ed by subsection (a), the Attorney General may initiate a  
8 civil proceeding in a district court of the United States to  
9 enjoin any such acts or practices. Such court shall proceed as  
10 soon as practicable to the hearing and determination of such  
11 action, and may, at any time before final determination, enter  
12 such restraining orders or prohibitions, or take such other  
13 action as is warranted, to prevent injury to the United States  
14 or to any person or class of persons for whose protection the  
15 action is brought. A proceeding under this section shall be  
16 governed by the Federal Rules of Civil Procedure.”.

17       CENTRAL INTELLIGENCE AGENCY PERSONNEL

18             ALLOWANCES, BENEFITS, AND TRAVEL

19       SEC. 505. (a) The Director of Central Intelligence is  
20 authorized to pay to Central Intelligence Agency officers,  
21 employees, detailees, and assignees, and their dependents,  
22 allowances and benefits authorized by chapter 9 of the For-  
23 eign Service Act of 1980 and other allowances and benefits  
24 granted by any other provision of law to the Foreign Service.  
25 The Director of Central Intelligence may pay additional

1 allowances and benefits, whether or not authorized under any  
2 other provision of law, as may be necessary to meet the spe-  
3 cial requirements of work related to intelligence activities.

4 (b) Notwithstanding any other provision of law, the Di-  
5 rector of Central Intelligence may prescribe regulations  
6 authorizing the travel of Central Intelligence Agency officers,  
7 employees, assignees, and detailees engaged in the perform-  
8 ance of intelligence functions. Such regulations shall reflect  
9 the requirements of the Agency not taken into account in the  
10 formulation of Governmentwide procedures and shall provide  
11 for payment for such travel.

12 NATIONAL SECURITY AGENCY PERSONNEL ALLOWANCES  
13 AND BENEFITS

14 SEC. 506. Paragraph (1) of section 9(b) of the National  
15 Security Agency Act of 1959 (50 U.S.C. 402 note) is amend-  
16 ed by striking out "paragraphs" and all that follows and in-  
17 serting in lieu thereof the following: "chapter 9 of the For-  
18 eign Service Act of 1980 or under any other provision of law  
19 applicable to the Foreign Service, or by the Director of Cen-  
20 tral Intelligence to personnel serving in similar circum-  
21 stances; and".

1 UNAUTHORIZED USE OF NATIONAL SECURITY AGENCY

2 NAME, INITIALS, OR SEAL

3 SEC. 507. The National Security Agency Act of 1959 is  
4 amended by adding at the end thereof the following new sec-  
5 tion:

6 "MISUSE OF AGENCY NAME, INITIALS, OR SEAL

7 "SEC. 12. (a) No person shall, except with the written  
8 permission of the Director of the National Security Agency,  
9 knowingly use the words 'National Security Agency', the ini-  
10 tials 'NSA', the seal of the National Security Agency, or any  
11 colorable imitation of such words, initials, or seal in connec-  
12 tion with any merchandise, impersonation, solicitation, or  
13 commercial activity in a manner reasonably calculated to  
14 convey the impression that such use is approved, endorsed,  
15 or authorized by the National Security Agency.

16 "(b) Whenever it shall appear to the Attorney General  
17 that any person is engaged or about to engage in any acts or  
18 practices which constitute or will constitute conduct prohibi-  
19 ted by subsection (a), the Attorney General may initiate a  
20 civil proceeding in a district court of the United States to  
21 enjoin any such acts or practices. Such court shall proceed as  
22 soon as practicable to the hearing and determination of such  
23 action, enter such restraining orders or prohibitions, or take  
24 such other action as is warranted, to prevent injury to the  
25 United States or to any person or class of persons for whose

1 protection the action is brought. A proceeding under this sec-  
2 tion shall be governed by the Federal Rules of Civil Proce-  
3 dure.”.

4 CRYPTOLOGIC LINGUIST TRAINING

5 SEC. 508. Section 10 of the National Security Agency  
6 Act of 1959 is amended by redesignating the present section  
7 10 as section 10(a) and by adding at the end thereof the  
8 following new subsection:

9 “(b) Notwithstanding the provisions of chapter 41 of  
10 title 5, United States Code, the Director of the National Se-  
11 curity Agency, on behalf of the Secretary of Defense, shall  
12 arrange for appropriate language and related training of mili-  
13 tary and civilian cryptologic personnel. In the exercise of this  
14 function, the Director may—

15 “(1) provide for the training and instruction to be  
16 furnished, including functional and geographic area  
17 specializations;

18 “(2) arrange for training and instruction with  
19 other Government agencies and at nongovernmental  
20 institutions that furnish training and instruction useful  
21 in the fields of language and foreign affairs;

22 “(3) support, through contracts, grants, coopera-  
23 tion with educational institutions, or through other  
24 means, programs that furnish necessary language and  
25 language-related skills;

1           “(4) obtain without regard to the Service Contract  
2 Act of 1965, by appointment or contract (subject to the  
3 availability of appropriations), the services of individ-  
4 uals as language instructors, linguists, or special proj-  
5 ect personnel. An individual whose services are ob-  
6 tained by contract, shall be considered an employee for  
7 purposes of subchapter III of chapter 83 of title 5 if  
8 such individual gives notice in writing to the National  
9 Security Agency of a desire to become subject to such  
10 subchapter and, consistent with section 8332(k)(2) of  
11 such title, deposits an amount equal to retirement de-  
12 ductions representing any period in which the individu-  
13 al was previously so employed by the National Secu-  
14 rity Agency. A contractor or contractor's employee en-  
15 gaged under this provision may not be provided access  
16 to classified information, as defined in section 304 of  
17 the Internal Security Act of 1950 (50 U.S.C. 834),  
18 unless such individual meets the standards contained in  
19 such Act;

20           “(5) pay all or part of the tuition and other ex-  
21 penses related to the training of current and former  
22 military and civilian cryptologic personnel who are as-  
23 signed or detailed for language and related training,  
24 orientation, or instruction;

1           “(6) pay benefits and allowances to current per-  
2           sonnel and former military and civilian cryptologic per-  
3           sonnel or other individuals in the cryptologic linguist  
4           reserve assigned to training at sites away from their  
5           normal duty station, in accordance with chapters 57  
6           and 59 of title 5, United States Code;

7           “(7) provide without regard to subchapter IV of  
8           chapter 55 of title 5, United States Code, special mon-  
9           etary or other incentives to encourage civilian cryptolo-  
10          gic personnel to acquire or retain proficiency in foreign  
11          languages or special related abilities needed by the Na-  
12          tional Security Agency, including special monetary in-  
13          centives to former or retired civilian employees and  
14          military cryptologic personnel or other qualified indi-  
15          viduals who agree to retain proficiency in such lan-  
16          guages or abilities and to return to active civilian serv-  
17          ice with the National Security Agency during periods  
18          of emergency need as determined by the Director;

19          “(8) provide to family members of military and ci-  
20          vilian cryptologic personnel, in anticipation of their as-  
21          signment abroad or while abroad, appropriate orienta-  
22          tion and language training, including the payment of  
23          the expenses of tuition or other necessary costs of in-  
24          struction at a public or private institution in the United  
25          States or abroad (in the case of individuals abroad), if

13

1 such instruction is directly related to the assignment  
2 abroad;

3 “(9) obtain an agreement from (A) current em-  
4 ployees pertaining to continuation of service and repay-  
5 ment of such training that is consistent with the provi-  
6 sions of section 4108 of title 5, United States Code,  
7 and (B) former or retired employees pertaining to re-  
8 payment of expenses of such training and return to  
9 service when requested; and

10 “(10) waive in whole or in part a right of recov-  
11 ery under paragraph (9), if it is shown that the recov-  
12 ery would be against equity and in good conscience or  
13 against the public interest.”.

14 ADMINISTRATIVE PROVISIONS RELATING TO THE FEDERAL  
15 BUREAU OF INVESTIGATION

16 SEC. 509. (a) Chapter 33 of title 28, United States  
17 Code, is amended by adding at the end thereof the following  
18 new section:

19 “§ 538. Special authorities for foreign intelligence and for-  
20 eign counterintelligence

21 “(a) Notwithstanding any other provision of law, for the  
22 purpose of collecting foreign intelligence and foreign counter-  
23 intelligence authorized by law and pursuant to procedures  
24 established by the Attorney General, the Federal Bureau of  
25 Investigation, in a manner which conceals its identity or role

1 if public knowledge that the Government is involved in the  
2 activity could reasonably be expected to inhibit or otherwise  
3 interfere with collecting such intelligence or counterintelli-  
4 gence, is authorized to—

5           “(1) lease, rent, or otherwise contract for real  
6 property, personal property, and personal services  
7 within the United States, the District of Columbia, and  
8 the territories and possessions of the United States;

9           “(2) purchase property, buildings, or other facili-  
10 ties and construct or alter such property, buildings, or  
11 facilities as may be necessary;

12           “(3) establish or acquire proprietary corporations  
13 or other business entities to engage in any activity  
14 which may be engaged in by the Federal Bureau of In-  
15 vestigation, including all activities described in this  
16 section, and operate such corporations and entities on a  
17 commercial basis;

18           “(4) use the proceeds generated by an activity au-  
19 thorized by this section to offset necessary and reason-  
20 able expenses incurred in such activity, with any re-  
21 maining balance to be deposited in the Treasury of the  
22 United States as miscellaneous receipts upon the com-  
23 pletion of the activity or sooner if the same can be ac-  
24 complished without risk of compromising the activity;  
25 and

1           “(5) deposit appropriated funds and proceeds de-  
2       rived from an activity authorized by this section in  
3       banks or other financial institutions.

4           “(b) Whenever a corporation or other business entity  
5       which was established or acquired pursuant to paragraph (3)  
6       of subsection (a) and which has a net value in excess of  
7       \$150,000 is to be liquidated, sold, or otherwise disposed of,  
8       the Federal Bureau of Investigation, as much in advance as  
9       the Director or his designee shall determine is practicable,  
10      shall report the circumstances of the intended liquidation,  
11      sale, or other disposition to the Attorney General and to the  
12      Permanent Select Committee on Intelligence of the House of  
13      Representatives and the Select Committee on Intelligence of  
14      the Senate. The proceeds from the liquidation, sale, or other  
15      disposition, after all obligations and costs of such corporation  
16      or entity have been met, shall be deposited in the Treasury of  
17      the United States as miscellaneous receipts.

18          “(c) This section shall not be modified or superseded by  
19      any provision of law enacted after the date of enactment of  
20      this section unless such provision expressly modifies or super-  
21      sedes this section.”.

22          (b) The table of sections for chapter 33 of title 28,  
23      United States Code, is amended by adding at the end thereof  
24      the following new item:

“538. Special authorities for foreign intelligence and foreign counterintelligence.”.

1 PROTECTION OF INTELLIGENCE PERSONNEL

2 SEC. 510. (a) Section 1114 of title 18, United States  
3 Code, is amended—

4 (1) by inserting "or attempts to kill" after "kills";

5 (2) by striking out "while engaged in the perform-  
6 ance of his official duties, or on account of the perform-  
7 ance of his official duties," and inserting in lieu thereof  
8 "or any officer or employee of any department or  
9 agency within the Intelligence Community (as defined  
10 in section 4-207 of Executive Order 12036, January  
11 24, 1978, or successor orders), not already covered  
12 under the terms of this section,"; and

13 (3) by inserting before the period at the end there-  
14 of a comma and the following: "except that any such  
15 person who is found guilty of attempted murder shall  
16 be imprisoned for not more than twenty years".

17 (b) Chapter 51 of title 18, United States Code, is  
18 amended by adding at the end thereof the following new sec-  
19 tion:

1    "§1118. Murder, manslaughter, assaults, threats, extor-  
2                    tion, or kidnaping of persons given entry into  
3                    the United States for permanent residence  
4                    pursuant to section 7 of the Central Intelli-  
5                    gence Agency Act of 1949

6        "(a) Whoever kills or attempts to kill a person given  
7 entry into the United States for permanent residence pursu-  
8 ant to the provisions of section 7 of the Central Intelligence  
9 Agency Act of 1949 (50 U.S.C. 403h) shall be punished as  
10 provided under sections 1111, 1112, and 1113 of this title,  
11 except that any such person who is found guilty of murder in  
12 the first degree shall be sentenced to imprisonment for life,  
13 and any such person who is found guilty of attempted murder  
14 shall be imprisoned for not more than twenty years.

15        "(b) Whoever engages in conduct proscribed by section  
16 112, 878, or 1201 of this title against any person described  
17 in subsection (a) shall be punished as provided under those  
18 sections."

19        (c) Chapter 51 of title 18, United States Code, is  
20 amended by adding at the end thereof the following new sec-  
21 tion:

22    "§1119. Murder, manslaughter, assaults, threats, extor-  
23                    tion, or kidnapping of persons present in the  
24                    United States under intelligence auspices

25        "(a) Whoever kills or attempts to kill a person certified  
26 by the Director of Central Intelligence or his designee to be

1 present in the United States under the auspices of any de-  
2 partment or agency within the Intelligence Community (as  
3 defined in section 4-207 of Executive Order 12036, January  
4 24, 1978, or successor orders) shall be punished as provided  
5 under sections 1111, 1112, and 1113 of this title, except that  
6 any such person who is found guilty of murder in the first  
7 degree shall be sentenced to imprisonment for life, and any  
8 such person who is found guilty of attempted murder shall be  
9 imprisoned for not more than twenty years.

10 “(b) Whoever engages in conduct proscribed by section  
11 112, 878, or 1201 of this title against any person described  
12 in subsection (a) shall be punished as provided under those  
13 sections.”.

14 (d) The table of sections for chapter 51 of title 18,  
15 United States Code, is amended by adding at the end thereof  
16 the following new items:

“1118. Murder, manslaughter, assaults, threats, extortion, or kidnapping of persons  
given entry into the United States for permanent residence pursu-  
ant to section 7 of the Central Intelligence Agency Act of 1949.

“1119. Murder, manslaughter, assaults, threats, extortion, or kidnapping of persons  
present in the United States under intelligence auspices.”.

## 17 TITLE VI—DEFENSE INTELLIGENCE AGENCY

### 18 PERSONNEL MANAGEMENT PROVISIONS

#### 19 SHORT TITLE

20 SEC. 601. This title may be cited as the “Defense Intel-  
21 ligence Agency Personnel Management Act of 1981”.

1                   CIVILIAN PERSONNEL MANAGEMENT

2           SEC. 602. (a) Chapter 81 of title 10, United States  
3 Code, is amended by inserting the following new section after  
4 section 1586:

5   "**§ 1587. Civilian personnel management in the Defense In-**  
6                   **telligence Agency**

7           "(a)(1) The Secretary of Defense (or his designee) may,  
8 without regard to the provisions of title 5 relating to the  
9 establishment of (and appointment to) positions in the civil  
10 service—

11           "(A) establish such positions for civilian officers  
12 and employees in the Defense Intelligence Agency as  
13 may be necessary to carry out the functions of such  
14 Agency, and

15           "(B) appoint individuals to such positions.

16           "(2) The Secretary of Defense (or his designee) shall fix  
17 the rates of basic pay for positions established under para-  
18 graph (1) in relation to the rates of basic pay contained in the  
19 General Schedule under section 5332 of title 5 for positions  
20 subject to such Schedule which have corresponding levels of  
21 duties and responsibilities. Except for positions in the Senior  
22 Defense Intelligence Executive Service, no officer or employ-  
23 ee of the Defense Intelligence Agency may be paid basic  
24 compensation at a rate in excess of the highest rate of basic  
25 pay contained in such General Schedule.

1       “(b)(1) Notwithstanding subsection (a), the Secretary of  
2 Defense (or his designee) may establish a Senior Defense In-  
3 telligence Executive Service in the Defense Intelligence  
4 Agency comparable to the Senior Executive Service estab-  
5 lished under subchapter II of chapter 31 of title 5. The Sec-  
6 retary of Defense (or his designee) may—

7           “(A) adopt administratively those provisions of  
8 title 5 that are necessary to administer the Senior De-  
9 fense Intelligence Executive Service,

10          “(B) appoint individuals to positions established  
11 within the Senior Defense Intelligence Service, and

12          “(C) notwithstanding any limitation on compensa-  
13 tion, pay individuals so appointed according to the pay  
14 prescribed by title 5 for the Senior Executive Service.

15 Any provisions so adopted shall be subject to the same limi-  
16 tations imposed by the comparable provisions of title 5, in-  
17 cluding the limitation on aggregate pay under section 5383(b)  
18 of such title.

19       “(2)(A) The Secretary of Defense (or his designee) may  
20 establish not more than twenty-seven positions (and appoint  
21 individuals thereto) in the Senior Defense Intelligence Ex-  
22 ecutive Service.

23       “(B) In addition to the positions established under sub-  
24 paragraph (A), the Secretary of Defense (or his designee)

1 may establish and appoint individuals in the Defense Intelli-  
2 gence Agency to—

3 “(i) professional engineering and scientific posi-  
4 tions primarily concerned with research, evaluation,  
5 and development activities; and

6 “(ii) professional positions in the physical and nat-  
7 ural sciences, medicine, and military intelligence.

8 Such positions shall be in the Senior Defense Intelligence  
9 Executive Service.

10 “(3)(A)(i) During any fiscal year, the President, based  
11 on the recommendation of the Secretary of Defense may,  
12 subject to clause (ii) and subparagraph (B), award to any  
13 Senior Defense Intelligence Executive Service appointee the  
14 rank of—

15 “(I) Meritorious Defense Intelligence Executive  
16 for sustained accomplishment, or

17 “(II) Distinguished Defense Intelligence Execu-  
18 tive for sustained extraordinary accomplishment.

19 “(ii) A Senior Defense Intelligence Executive Service  
20 appointee awarded a rank under subclause (I) or (II) of  
21 clause (i) shall not be entitled to be awarded that rank during  
22 the following four fiscal years.

23 “(B) During any fiscal year—

24 “(i) the number of Senior Defense Intelligence  
25 Executive Service appointees awarded the rank of

1 Meritorious Defense Intelligence Executive may not  
2 exceed 5 per centum of the Senior Defense Intelli-  
3 gence Executive Service; and

4 “(ii) not more than one Senior Defense Intelli-  
5 gence Executive Service appointee or 1 per centum of  
6 all Senior Defense Intelligence Executive Service ap-  
7 pointees, whichever is greater, may be awarded the  
8 rank of Distinguished Defense Intelligence Executive.

9 “(C)(i) A Senior Defense Intelligence Executive Service  
10 appointee who is awarded the rank of Meritorious Defense  
11 Intelligence Executive or Distinguished Defense Intelligence  
12 Executive shall receive a lump sum payment in the amount  
13 specified in section 4507(e) (1) or (2) of title 5, respectively.

14 “(ii) Any award under this paragraph shall be in addi-  
15 tion to basic pay or any performance awards.

16 “(4) The Director of the Defense Intelligence Agency  
17 may, in accordance with the provisions of section 3396(c) of  
18 title 5, grant a sabbatical to any Senior Defense Intelligence  
19 Executive Service appointee.

20 “(5) Annual leave accrued by an individual while serv-  
21 ing in a Senior Defense Intelligence Executive Service posi-  
22 tion shall not be subject to the limitations on accumulation  
23 imposed by section 6304 of title 5.

24 “(6) The Director of the Defense Intelligence Agency  
25 shall submit to the Permanent Select Committee on Intelli-

1 gence of the House of Representatives and the Select Com-  
2 mittee on Intelligence of the Senate at the time the budget is  
3 submitted by the President to the Congress during each odd-  
4 numbered calendar year, a report on the Senior Defense In-  
5 telligence Executive Service. Such report shall include—

6       “(A) the percentage of senior executives at each  
7 pay rate employed at the end of the preceding fiscal  
8 year;

9       “(B) the number, distribution, and amount of per-  
10 formance awards paid during the preceding fiscal year;  
11 and

12       “(C) the number of individuals removed from the  
13 Senior Defense Intelligence Executive Service for less  
14 than fully successful performance.

15       “(c) The Secretary of Defense (or his designee) is au-  
16 thorized, consistent with section 5341 of title 5, to adopt  
17 such provisions of such title as provide for prevailing rate  
18 systems of basic compensation for positions in or under which  
19 the Defense Intelligence Agency may employ prevailing rate  
20 employees (within the meaning of section 5342(2)(A) of such  
21 title).

22       “(d) Officers and employees of the Defense Intelligence  
23 Agency who are citizens or nationals of the United States  
24 may be granted additional compensation, in accordance with  
25 regulations prescribed by the Secretary of Defense, not in

1 excess of additional compensation authorized by section  
2 5941(a) of title 5 for employees whose rates of basic compen-  
3 sation are fixed by statute.

4       “(e) Nothing in this section or any other law may be  
5 construed to require the disclosure of the organization or any  
6 function of the Defense Intelligence Agency, of any informa-  
7 tion with respect to the activities thereof, or of the names,  
8 titles, salaries, or number of the persons employed by such  
9 Agency, except for that information required by the Congress  
10 to accomplish normal authorization and appropriation func-  
11 tions.

12       “(f)(1) Notwithstanding the personnel management laws  
13 under title 5, or any other law, the Secretary of Defense  
14 may, in his discretion, terminate the employment of any civil-  
15 ian officer or employee of the Defense Intelligence Agency  
16 whenever he deems such termination necessary or advisable  
17 in the interests of the United States.

18       “(2) Any termination under this subsection shall not  
19 affect the right of the officer or employee involved to seek or  
20 accept employment with any other department or agency of  
21 the United States if he is declared eligible for such employ-  
22 ment by the Office of Personnel Management.

23       “(3) The Secretary of Defense may delegate authority  
24 under this subsection only to the Deputy Secretary of De-  
25 fense and the Director of the Defense Intelligence Agency.

1 An action to terminate any civilian officer or employee by  
2 either such officer shall be appealable to the Secretary of  
3 Defense.”.

4 (b) The table of sections for chapter 81 of title 10,  
5 United States Code, is amended by inserting after the item  
6 relating to section 1586 the following new item:

“1587. Civilian personnel management in the Defense Intelligence Agency.”.

7 EARLY RETIREMENT IN THE SENIOR DEFENSE

8 INTELLIGENCE EXECUTIVE SERVICE

9 SEC. 603. (a) Section 8336 of title 5, United States  
10 Code, is amended by redesignating subsection (k) as subsec-  
11 tion (l) and inserting immediately after subsection (j) the fol-  
12 lowing new subsection:

13 “(k) A member of the Senior Defense Intelligence Ex-  
14 ecutive Service who is removed from the Senior Defense In-  
15 telligence Executive Service for less than fully successful  
16 performance after completing 25 years of service or after be-  
17 coming 50 years of age and completing 20 years of service is  
18 entitled to an annuity.”.

19 (b) Section 8339(h) of title 5, United States Code, is  
20 amended by striking out “section 8336(d), (h), or (j)” and  
21 inserting in lieu thereof “section 8336(d), (h), (j), or (k)”.

1 VETERANS PREFERENCE IN THE SENIOR DEFENSE

2 INTELLIGENCE EXECUTIVE SERVICE

3 SEC. 604. Paragraph (3) of section 2108 of title 5,  
4 United States Code, is amended by inserting “, the Senior  
5 Defense Intelligence Executive Service,” after “Senior Ex-  
6 ecutive Service”.

7 TECHNICAL AND CONFORMING AMENDMENTS

8 SEC. 605. (a) Section 5102(a)(1) of title 5, United  
9 States Code, is amended—

10 (1) by striking out “or” at the end of clause (viii);

11 (2) by inserting “or” at the end of clause (ix); and

12 (3) by inserting the following new clause after  
13 clause (ix):

14 “(x) the Defense Intelligence Agency,  
15 Department of Defense;”.

16 (b) Section 5342(a)(1) of such title is amended—

17 (1) by striking out “or” at the end of subpara-  
18 graph (I);

19 (2) by inserting “or” at the end of subparagraph  
20 (J); and

21 (3) by inserting the following new subparagraph  
22 after subparagraph (J):

23 “(K) the Defense Intelligence Agency, De-  
24 partment of Defense;”.

25 (c) Section 7103(a)(3) of such title is amended—

27

1           (1) by striking out "or" at the end of subpara-  
2 graph (F);

3           (2) by inserting "or" at the end of subparagraph  
4 (G); and

5           (3) by inserting the following new subparagraph  
6 after subparagraph (G):

7           "(H) the Defense Intelligence Agency;"

8                       EFFECTIVE DATE

9       SEC. 606. The amendments made by this title shall take  
10 effect on the first day of the first pay period which begins  
11 after the thirtieth day following the date of the enactment of  
12 this Act.

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